

### REMARKS

Reconsideration of this application is respectfully requested in view of the foregoing amendment and the following remarks.

Applicant notes that the amendment filed on October 28, 2002 crossed in the mail with the Examiner's Office Action of November 1, 2002. By agreement with the Examiner, applicant's amendment of October 28, 2002 has not been entered. Thus, claims 38-57 were pending at the time of the Examiner's Office Action of November 1, 2002. In that Office Action, the Examiner indicated that the subject matter of claims 48-51 would be allowable if rewritten in independent form including all the limitations of the base claims and any intervening claims.

In response to the Examiner's notification of allowable subject matter, applicant has replaced the previously pending claims 38-57 with new claims 58-77. New claim 67 corresponds to allowable claim 48 in independent format. The remaining claims, although not identical to the subject matter the Examiner indicated to be allowable, are believed to be directed to the same subject matter. Accordingly, applicant believes that the now pending claims are in clear condition for allowance.

In drafting the new set of claims, applicant has also taken care to address the informalities noted by the Examiner in the previous Office Action. Support for the "non-integer" limitation, (that appears in claim 60, for example) can be found in the examples that appear in the specification (e.g., pages 39 and 43.)

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Applicant submits that this amendment places the application in clear condition for allowance. Should the Examiner determine that any action is necessary to place this application into even better form, he is encouraged to contact applicant at the number listed below.

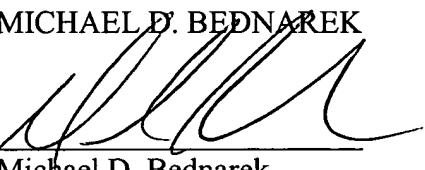
Michael D. Bednarek  
6311 Berkshire Drive  
Bethesda, MD 20814  
Tel: (202) 997-1665

Respectfully submitted,

MICHAEL D. BEDNAREK

Date: January 31, 2003

By:

  
Michael D. Bednarek  
Registration No. 32,329

Attachments: Amended Claims w/ Markings

MDB/lrhj

**VERSION WITH MARKINGS TO SHOW CHANGES MADE TO CLAIMS**

- 38. (Delete)
- 39. (Delete)
- 40. (Delete)
- 41. (Delete)
- 42. (Delete)
- 43. (Delete)
- 44. (Delete)
- 45. (Delete)
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- 57. (Delete)

58. (New) A computer implemented incentive program for encouraging certain participant actions, the program comprising:

- a plurality of participants;
- a participant ID associated with each participant;
- a first reward program under which participants may earn points for certain participant actions, wherein a point total is associated with each participant and a record is maintained of Base Points Earned (BP), indicative of the number of points earned for a Participant Action (PA) pursuant to the first reward program;
- a second reward program pursuant to which a participant redemption rate (RR) is associated with each participant ID and the redemption rate (RR) that is associated with a particular participant ID is adjusted in response to certain action by that participant pursuant to the second reward program; and
- a Program Points (PP) total associated with each participant ID, wherein PP are the product of BP and RR so that  $PP=BP*RR$ .

59. (New) The computer implemented incentive program of Claim 58, wherein the program is implemented with a system that includes: a participant action reporting unit, a participant ID Input unit; a data storage and memory unit; a redemption unit; an incentive adjustment unit and a computation unit.

60. (New) The computer implemented incentive program of Claim 58, wherein at least some of the participant redemption rates (RR) are not integers.

61. (New) The computer implemented incentive program of Claim 58, wherein a base redemption rate is associated with each participant and the base redemption rate is not the same for all participants and at least some of the base redemption rates are non-integer number values.

62. (New) The computer implemented incentive program of Claim 58, wherein the first reward program is a rebate program under which participants earn points for certain purchases and the second reward program is a variable redemption rate program through which the redemption rate associated with a particular participant is adjusted in response to certain participant action.

63. (New) The computer implemented incentive program of Claim 58 applied to a casino game such that the plurality of participants are players; the players' participant ID is determined by the location of the machine or associated with each participant; the casino game is a first reward program under which participants may earn points (BP) that may be redeemed for cash or prizes and the second reward program is a variable redemption rate program through which points may be redeemed for currency based upon the redemption rate (RR) in effect at the time of redemption and wherein the redemption rate associated with a particular participant is adjusted in response to certain participant action.

64. (New) The computer implemented incentive program applied to casino gaming of Claim 63, wherein to encourage the player to play frequently and improve utilization of the underlying casino game, the system includes a timer that determines whether a predetermined time period has elapsed between consecutive play of the casino game and wherein:

if the player has a positive credit winnings balance, the redemption rate is increased by predetermined amount every time the player plays within the predetermined time period;

if the player has a negative credit winnings balance, then the redemption rate is decreased by predetermined amount every time the player plays within the predetermined time period;

if the player has a positive credit winnings balance, the redemption rate is decreased by predetermined amount whenever the predetermined time period interval has passed without the player playing; and

if the player has a negative credit winnings balance then the redemption rate is increased by predetermined amount whenever the predetermined time period interval has passed without the player playing.

65. (New) The computer implemented incentive program applied to casino gaming of Claim 63, wherein the variable redemption rate is used to provide an auxiliary game pursuant to which a player that has a net positive balance can place an auxiliary bet that, if won, results in increasing the redemption value of the positive balance.

66. (New) The computer implemented incentive program applied to casino gaming of Claim 63, further comprising a display screen for displaying information concerning the amount of dollars on deposit, the net results, the current redemption rate, the dollar value of the net results determined by applying the current redemption rate and the current balance and a visual display to graphically illustrate the time remaining.

67. (New) A method of incenting participant action by participants in a first incentive program pursuant to which participants earn points, and a record of the point total for each participant in the program is maintained, the point total reflecting the points earned by the participant pursuant to the first program, the method comprising:

allowing participants in the first incentive program to participate in a second incentive program pursuant to which participants in the second program are assigned a redemption rate and the redemption rate assigned to each participant is adjusted in response to participant action and wherein the redemption rate associated with a participant determines the redemption value of the point total associated with that participant such that the redemption value for two participants having an identical point total can be different as a consequence of participant action in the second program; and

wherein records are maintained that allow one to determine, for each participant:

Base Points Earned (BP), indicative of the number of points earned for a Participant Action (PA) pursuant to the first incentive program;

Redemption Rate (RR), which is the value of the redemption rate associated with the participant pursuant to the second incentive program; and

Program Points (PP), which is the total points earned under the second incentive program.

68. (New) The method of Claim 67, wherein the second incentive program is a continuous redemption system wherein base points are converted into program points as they are earned by reference to the redemption rate in effect at the time of the participant action for which the points were earned.

69. (New) The method of Claim 67, wherein the second incentive program is a periodic redemption system wherein base points are converted into program points at the end of a predetermined period by reference to the redemption rate in effect at the end of the period.

70. (New) The method of Claim 67, wherein the second incentive program is a redemption on demand system wherein base points are converted into program points only upon the participant's demand by reference to the redemption rate in effect at the time of demand.

71. (New) The method of Claim 67, wherein at least some of the participant redemption rates (RR) are not integers.



72. (New) The method of Claim 67, wherein a base redemption rate is associated with each participant and the base redemption rate is not the same for all participants and at least some of the base redemption rates are non-integer number values.

73. (New) The method of Claim 67, wherein the first reward program is a rebate program under which participants earn points for certain purchases and the second reward program is a variable redemption rate program through which the cash value redemption rate associated with a particular participant is adjusted in response to certain participant action.

74. (New) A method of providing an incentive for participant action by participants engaged in an activity pursuant to which participants earn points, and a record of the base points (BP) for each participant is maintained, the base points (BP) being the points earned by the participant engaged in the activity, the method comprising:

providing an incentive program pursuant to which participants in the incentive program are assigned a redemption rate (RR) and earn program points (PP), wherein the redemption rate (RR) assigned to each participant is adjusted in response to participant action and wherein the program points (PP) are determined by converting base points (BP) into program points (PP) according to the following formula:  $PP=BP*RR$ .

75. (New) The method of Claim 74, wherein the second incentive program is a continuous redemption system wherein base points are converted into program points as they are earned by reference to the redemption rate in effect at the time of the participant action for which the points were earned.

76. (New) The method of Claim 74, wherein the second incentive program is a periodic redemption system wherein base points are converted into program points at the end of a predetermined period by reference to the redemption rate in effect at the end of the period.

77. (New) The method of Claim 74, wherein the second incentive program is a redemption on demand system wherein base points are converted into program points only upon the participant's demand by reference to the redemption rate in effect at the time of demand.